



Reprinted
February 20, 2007

SENATE BILL No. 467

DIGEST OF SB 467 (Updated February 19, 2007 4:41 pm - DI 52)

Citations Affected: IC 16-44.

Synopsis: Fuel standards. Allows the state department of health to inspect samples of ethanol and prohibit the sale of ethanol that does not meet standards prescribed by law. Establishes minimum specifications for ethanol, gasoline, and kerosene. Provides that an instrument evidencing the sale of nominally anhydrous ethyl alcohol must include certain information. Establishes standards for determining when ethanol is considered to be received in Indiana and for certain records concerning ethanol.

Effective: July 1, 2007.

Weatherwax

January 16, 2007, read first time and referred to Committee on Energy and Environmental Affairs.

February 13, 2007, reported favorably — Do Pass.

February 19, 2007, read second time, amended, ordered engrossed.

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SB 467—LS 7316/DI 116+



First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 467

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-44-2-0.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2007]: **Sec. 0.1. As used in this chapter, "ASTM" means the**
4 **American Society for Testing and Materials International.**

5 SECTION 2. IC 16-44-2-0.2 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2007]: **Sec. 0.2. As used in this chapter, "ethanol" means a fuel**
8 **that is:**

9 (1) **blended from gasoline and nominally anhydrous ethyl**
10 **alcohol; and**

11 (2) **suitable for use in a spark-ignition internal combustion**
12 **engine.**

13 SECTION 3. IC 16-44-2-2 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 2. As used in this**
15 **chapter, "kerosene" means any light fuel oil:**

16 (1) **with an A.P.I. gravity of at least thirty-nine (39) degrees**
17 **Fahrenheit as determined by the ASTM D-287-55 method; and**

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(2) having an end point of not greater than five hundred ninety
(590) degrees Fahrenheit as determined by the ASTM D-86-56
distillation method.

**refined middle petroleum distillate suitable for use as a fuel for
heating or illumination.**

SECTION 4. IC 16-44-2-3 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) As used in this
chapter, "petroleum products" includes the following:

(1) Gasoline.

(2) Naphtha.

(3) Kerosene.

(4) Distillate.

(5) Fuel oil.

(6) Ethanol.

~~(6)~~ (7) Similar petroleum products, regardless of name, including
benzol and other similar products that are or may be used in the
blending of motor fuel.

(b) The term does not include the following:

(1) Lubricating oils.

(2) Any product having:

(A) a Saybolt universal viscosity at one hundred (100) degrees
Fahrenheit of at least seventy (70) seconds; and

(B) a flash point of at least one hundred fifty (150) degrees
Fahrenheit by the ASTM method.

SECTION 5. IC 16-44-2-4 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) The state
department or any authorized agent of the state department may inspect
samples of gasoline, **ethanol**, or kerosene stored in any tank:

(1) that is adjacent to a refinery or marine or pipeline terminal in
Indiana; and

(2) from which withdrawals are made for sale or use in Indiana or
for transportation to destinations in Indiana other than
transportation to other refineries or terminals in Indiana.

(b) Gasoline or kerosene inspected under subsection (a) is subject
to the inspection fee specified in section 18 of this chapter whenever
the stock in the tank is replenished.

SECTION 6. IC 16-44-2-5 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 5. (a) The state
department or any authorized agent of the state department may inspect
samples of gasoline, **ethanol**, or kerosene imported into Indiana other
than that placed in storage at refineries or marine or pipeline terminals
in Indiana.

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(b) Gasoline or kerosene inspected under subsection (a) is subject to the inspection fee specified in section 18 of this chapter.

(c) A person who receives gasoline or kerosene:

(1) that is imported into Indiana (other than that placed in storage at refineries or marine or pipeline terminals in Indiana); and

(2) on which the inspection fee has not been paid;

shall notify the state department of the receipt of the gasoline or kerosene.

SECTION 7. IC 16-44-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 6. The state department may conduct inspections and tests on gasoline, **ethanol**, or kerosene at any place the gasoline, **ethanol**, or kerosene is offered for sale in Indiana.

SECTION 8. IC 16-44-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 7. (a) If the state department's inspection of gasoline, **ethanol**, or kerosene under this chapter reveals that the gasoline, **ethanol**, or kerosene fails to meet the specifications prescribed by law for those products, the state department may prohibit the sale of those products.

(b) A person may not offer for sale any gasoline, **ethanol**, or kerosene that the state department has prohibited from sale.

SECTION 9. IC 16-44-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The inspections and tests made by the state department under this chapter shall be conducted in accordance with the ~~methods~~ **specifications** outlined by the American Society for Testing and Materials.

(b) The inspections and tests as to gasoline, ~~gasohol~~, **ethanol**, and kerosene must reflect the following minimum specifications necessary for the approval of the product:

(1) Gasoline: ~~or gasohol~~:

(A) Corrosion Test – ~~Method~~ **Specification** ASTM D-130: A clean copper strip may not show more than extremely slight discoloration when submerged in the gasoline for three (3) hours at one hundred twenty-two (122) degrees Fahrenheit.

(B) Distillation Range – Method ASTM D-86: When the thermometer reads one hundred sixty-seven (167) degrees Fahrenheit, not less than ten percent (10%) may be evaporated: When the thermometer reads two hundred eighty-four (284) degrees Fahrenheit, not less than fifty percent (50%) may be evaporated: When the thermometer reads three hundred ninety-two (392) degrees Fahrenheit, not less than ninety percent (90%) may be evaporated: The residue may not exceed

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two percent (2%): Percent evaporated is found by adding the distillation loss to the amount collected in the receiver at each specification temperature:

(C) Sulphur — Method ASTM D-1266 or D-2622: Sulphur may not exceed twenty-five hundredths of one percent (0.25%): **D-4814.**

(D) Vapor Pressure — Method (B) Specification ASTM D-4953, **Specification** ASTM D-5191, or any other ASTM **method specification** to determine vapor pressure approved by the United States Environmental Protection Agency. For gasoline, the Reid vapor pressure at one hundred (100) degrees Fahrenheit may not exceed the following:

(i) Fifteen (15) pounds per square inch at the normal barometric pressure at the point of delivery during November, December, January, February, and March.

(ii) Fourteen (14) pounds per square inch during April and October.

(iii) Twelve (12) pounds per square inch during May, June, July, August, and September.

(C) Gasoline may not contain more than one-half percent (0.5%) of MTBE by volume.

(E) For gasohol (a blend of gasoline and alcohol permitted under federal tax requirements), the vapor pressure may not exceed the following:

(i) Sixteen (16) pounds per square inch during November, December, January, February, and March:

(ii) Fifteen (15) pounds per square inch during April and October:

(iii) Thirteen (13) pounds per square inch during May, June, July, August, and September:

(F) After July 23, 2004, gasoline may not contain more than one-half percent (0.5%) of MTBE by volume:

(2) Kerosene:

(A) Flash Test — Method ASTM D-56: Flash point may not be lower than one hundred (100) degrees Fahrenheit.

(B) For the purpose of this chapter, any petroleum product designated by name or reference as "kerosene" must meet the federal specifications for kerosene VV-K-211d in effect on March 1, 1977:

(2) Ethanol:

(A) All of the following conditions must be met:

(i) The gasoline that will be blended with nominally

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anhydrous ethyl alcohol to formulate ethanol must meet Specification ASTM D-4814.

(ii) The ethanol must meet Specification ASTM D-4814.

(iii) The gasoline that will be blended with nominally anhydrous ethyl alcohol to formulate ethanol must meet Specification ASTM D-4814, except for its distillation requirements.

(iv) The ethanol must meet the distillation requirements of Specification ASTM D-4814.

(B) Gasoline that will be blended with nominally anhydrous ethyl alcohol to formulate ethanol may not contain more than one-half percent (0.5%) of MTBE by volume.

(C) Nominally anhydrous ethyl alcohol that will be blended with gasoline to formulate ethanol must meet Specification ASTM D-4806.

(D) Ethanol that is seventy-five percent (75%) or more nominally anhydrous ethyl alcohol by volume, commonly known as "E85", must meet Specification ASTM D-5798.

(E) Ethanol must meet Specification ASTM D-4953, Specification ASTM D-5191, or any other ASTM specification to determine vapor pressure that is approved by the United States Environmental Protection Agency. For ethanol, the vapor pressure may not exceed the following:

(i) Sixteen (16) pounds per square inch during November, December, January, February, and March.

(ii) Fifteen (15) pounds per square inch during April and October.

(iii) Thirteen (13) pounds per square inch during May, June, July, August, and September.

(3) Kerosene must meet Specification ASTM D-3699.

(c) Gasoline, ~~gasohol~~, **ethanol**, and kerosene products that do not comply with the minimum specifications described in subsection (b) may not be sold, offered for sale, or used in Indiana.

(d) Petroleum products other than gasoline, ~~gasohol~~, **ethanol**, or kerosene shall be inspected and tested by the methods as are necessary to determine the contents and characteristics of the product.

SECTION 10. IC 16-44-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. (a) A person who sells or delivers a petroleum product containing ~~ethanol (ethyl alcohol)~~ **nominally anhydrous ethyl alcohol** or methanol (methyl alcohol), or

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both, to a person other than a retail consumer must place on the instrument evidencing the sale or delivery of the petroleum product:

- (1) the name of each alcohol; and
- (2) the percentage (to the nearest whole percent), by volume, of each alcohol;

that is contained in the petroleum product sold or delivered by the person.

(b) A person who fails to comply with this section commits a Class A infraction.

SECTION 11. IC 16-44-2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 15. For the purposes of this chapter, gasoline, **ethanol**, or kerosene is considered to be received in Indiana as follows:

(1) If stored in tanks adjacent to a refinery or a marine or pipeline terminal in Indiana, the gasoline, **ethanol**, or kerosene is considered to be received when withdrawn from storage for sale or use in Indiana or for transportation to destinations in Indiana other than for transfer to other refineries or marine or pipeline terminals in Indiana and not before. When ~~so withdrawn~~, the gasoline, **ethanol**, or kerosene **is withdrawn**, it is considered to be received by the person who is the owner of the gasoline, **ethanol**, or kerosene at the time of withdrawal unless the gasoline, **ethanol**, or kerosene is withdrawn for transportation or delivery to or for the account of a person who is bonded under the gasoline tax law (IC 6-6-1.1), in which case the gasoline, **ethanol**, or kerosene is considered to be received by the person to or for whose account the gasoline, **ethanol**, or kerosene is transported or delivered.

(2) If imported into Indiana (other than to a refinery or marine or pipeline terminal in Indiana), the gasoline, **ethanol**, or kerosene is considered to be received at the time and by the person who is the owner of the gasoline, **ethanol**, or kerosene when the gasoline, **ethanol**, or kerosene is spotted or placed for unloading in Indiana.

(3) If produced, blended, or compounded in Indiana other than at a refinery or a marine or pipeline terminal, the gasoline, **ethanol**, or kerosene is considered to be received when produced, blended, or compounded.

SECTION 12. IC 16-44-2-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. (a) The state department shall furnish to the person for whom inspections are made under this chapter a certificate of inspection covering each receipt by that person of gasoline, **ethanol**, or kerosene with respect to which an

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- 1 inspection is made. The certificate must indicate the following:
- 2 (1) The date of the inspection.
- 3 (2) The identity of the container from which the sample was
- 4 taken.
- 5 (3) The kind and quantity of the product received.
- 6 (4) The identity of the conveyance by which the product was
- 7 received.
- 8 (5) The result of the test and inspection.
- 9 (b) To enable the state department to make certificates covering
- 10 withdrawals from storage at a refinery or marine or pipeline terminal
- 11 and the receipt of gasoline, **ethanol**, or kerosene at other points in
- 12 Indiana, the records of withdrawals and receipts shall be available to
- 13 the state department during all reasonable business hours.

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COMMITTEE REPORT

Madam President: The Senate Committee on Energy and Environmental Affairs, to which was referred Senate Bill No. 467, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 467 as introduced.)

GARD, Chairperson

Committee Vote: Yeas 8, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 467 be amended to read as follows:

Page 3, line 25, strike "methods" and insert "**specifications**".
 Page 3, line 31, delete "Method" and insert "**Specification**".
 Page 4, line 7, delete "(B)".
 Page 4, line 7, strike "Method" and insert "**(B) Specification**".
 Page 4, line 7, after "D-4953," insert "**Specification**".
 Page 4, line 8, strike "method" and insert "**specification**".
 Page 5, line 2, delete "Method" and insert "**Specification**".
 Page 5, line 3, delete "Method" and insert "**Specification**".
 Page 5, line 6, delete "Method" and insert "**Specification**".
 Page 5, line 9, delete "Method" and insert "**Specification**".
 Page 5, line 15, delete "Method" and insert "**Specification**".
 Page 5, line 19, delete "Method" and insert "**Specification**".
 Page 5, line 20, delete "Method" and insert "**Specification**".
 Page 5, line 20, after "D-4953," insert "**Specification**".
 Page 5, line 21, delete "method" and insert "**specification**".
 Page 5, line 31, delete "Method" and insert "**Specification**".

(Reference is to SB 467 as printed February 14, 2007.)

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